

NAFTA EXPERIENCE OVER 25 YEARS

MEXICO POLICY SURPRESSING WAGES

- Repression of labor rights suppresses ability of workers to seek wage increases.
- Dem nation w/ authoritarian type labor structure.
- Gov't aligned union (CTM).
- Thousands of bogus "protection agreements" often signed before workers in place.
- Stacked labor boards.
- Recent Constitutional reforms, but very uncertain impact & implementation.



VERY LOW WAGES FOR MX WORKERS

- Average hourly wage in Mexican auto industry \$2.04.
- Between 1994 and 2011, Mexican manufacturing wages declined by 20%, even as productivity grew by 80%.
- MX hourly wages for auto workers less than one-seventh of US workers.
- Auto parts even lower – some pay stubs show 85 cents hourly take home pay.



RAPID GROWTH MX AUTO SECTOR

- Mexico to become the fifth-largest auto maker in the world by 2020, building 5m cars a year.
- Total US imports from MX are up 637% from 1993.
- US goods trade deficit with Mexico was \$63.2 billion in 2016 (vehicles were top import).
- As US lost net 10 vehicle assembly plants over last 10 yrs, Mexico nearly doubled its number of plants.



LOSS OF U.S. JOBS & WAGES

- The US has lost about 5 million manufacturing jobs since 1993.
- EPI estimated 851,000 US jobs lost due to NAFTA.
- US jobs in auto, computer and electronics hardest hit.
- Two-tiered wage structure for US auto workers.
- Real wages for US auto parts workers fell by nearly 14% 2003-2013.
- Wage growth 17% worse in highly-exposed NAFTA industries.